

January 24, 2005

TO: Potential Bidders  
Third-Party Administrator for the Uniform Medical Plan

FROM: Vicky Rideout

RE: Amendment 4, Questions and Answers to  
Request for Proposals for  
Third-Party Administrator for the Uniform Medical Plan

Questions answers to questions received from prospective bidders through January 20, 2005 are posted on the HCA website.

Questions received as a result of the Bidders' Conference will be posted on the HCA website. February 1, 2005 is the last date that post-conference questions will be accepted. Answers to post-conference questions will be posted on the HCA website no later than February 9, 2005.

When submitting your proposal, please include a signed copy of this memo as acknowledgment of your receipt of this amendment.

Bidder's Signature: \_\_\_\_\_

Printed name: \_\_\_\_\_

Title: \_\_\_\_\_

Company Name: \_\_\_\_\_

Date: \_\_\_\_\_

#### ***Amendment 4: Questions Received, with Answers***

*These are answers to questions received from various prospective bidders. We did not revise the questions but in some cases where there was a heading associated with a question, we combined the heading into the question.*

1. Can we get a break-down of current administrative fees with Harrington and all other vendors for the self-insured UMP plan services?

ANSWER: The contract will be posted on the web site.

2. Can we get a census file? This would be useful in determining where those employees that reside outside of WA state are located and determining the applicable network discounts available to these employees.

ANSWER: We will post information by state. We are determining whether we can provide further information, and what if any agreements would be needed to protect that information.

3. For ease in responding to the RFP, would it be possible for you to release the RFP in Microsoft Word format?

ANSWER: Yes. That will be posted on the web site.

4. We have visited the UMP Web site at [www.ump.hca.wa.gov](http://www.ump.hca.wa.gov), and see the listing of providers that are contracted. We would like to run a disruption analysis on these providers, and would need this information in an Excel file format. The following items would yield a credible analysis: TIN, last name, first name, address, state, ZIP code, and specialty. If possible, we would also like to see claim dollars or claimant information at the provider level. Would it be possible to get this information in Excel format?

ANSWER: UMP will maintain its direct contracts with providers in Washington State. See RFP §1.3(B). Bidders may suggest changes in the out of state network arrangements. For out-of-state matters, see answer #2. A relatively small percentage of claims are from out-of-state providers.. If the HCA determines that a disruption report is needed, one will be requested of the finalists.

5. Is UMP amenable to some off-shore claim processing of non-complex claims? This is invisible to the member, has over 99% quality, and keeps fixed costs competitive.

ANSWER: No.

6. Please describe how the daily eligibility feed process works today between UMP and the TPA, as well as facilitation to the PBM. Is there a reason that UMP is not sending eligibility directly to the PBM as opposed to having the TPA facilitate it?

ANSWER: PEBB transmits eligibility data to the TPA for processing at HBSI and for assigning ID numbers to new enrollees and to be enhanced and passed to the PBM. Harrington adds the ID number, information about alternate mailing addresses, COB status – information that PEBB does not have.

7. Please describe the algorithm UMP uses to assign unique ID card numbers to enrollees. How long is the alphanumeric ID?

ANSWER: The format is this:

W7CXXXXXXX

Where:

W7 = constant

C = calculated check digit

XXXXXXX = ascending 7 digit sequential number beginning with zero.

8. What weight will administrative fees have versus total cost savings? In other words, if the TPA can save UMP 5% off claim costs through care management programs, how will this be scored and weighted alongside administrative fees for the total cost?

ANSWER: See section 4.3 of the RFP. The financial analysis will consider the costs and benefits of the proposals, including estimated claims savings.

However, please be aware that UMP as a state agency has separate limits for its budget for administrative costs. This can limit our ability to use claims savings to offset administrative costs. Proposals may include estimates of claims savings and guaranteed savings, etc.

9. Is the UMP interested in collaborating on a new "UMP Neighborhood" style high performance network? If so, how will this be weighted in the scoring?

ANSWER: See RFP sections 3.5 and 4.3. Financial analysis will consider the costs and benefits of proposals. We plan to continue our direct contracts with Washington State providers and not use a contractor's in-state network.

Bidders may, however, propose innovative or collaborative arrangements, such as data sharing.

10. How frequently are the claim files from the PBM sent to the TPA to update the lifetime maximum? Are there any other accumulator loads necessary?

ANSWER: The files are sent monthly. There are no other accumulator loads.

11. What web functionality, decision support tools, and health care content information is available to UMP enrollees today?

ANSWER: UMP enrollees can access their private information (such as medical claims history and deductible status) by registering for on-line medical accounts. For more information on secure services, see [www.ump.hca.wa.gov/members/onlineaccts.shtml](http://www.ump.hca.wa.gov/members/onlineaccts.shtml).

12. What is the current auto-adjudication rate, e.g. a claim that is submitted electronically by a provider and is processed without any human intervention?

ANSWER: An answer will be posted as soon as possible, not later than February 9, 2005.

13. What is the current claim turnaround time? Is this number based on business days or calendar days?

ANSWER: Turnaround time for November 2004: 99% of clean claims in 15 calendar days, 95% of all claims in 30 calendar days.

14. What percent of claims are electronically submitted by providers? What percent are electronically imaged by the TPA? What % are processed as paper claims?

ANSWER: The most current figures on electronic claim submission are from November, 2004.

Total electronic claims received: 53%

Facility claims: 53%

Professional provider claims: 37%

Medicare Crossover claims: 100%

All claims are imaged.

15. What is the average number of processed claim transactions per enrollee per year?

ANSWER: The average is 26.1 claims transactions per year per **subscriber** (as defined in the RFP).

16. What % of UMP enrollees are registered on the Harrington "My Medical Account" site? Is the current TPA supplying reporting of website utilization, including the number of hits on all functionalities within the site?

ANSWER: There are online accounts for about five percent of enrollees. HCA tracks hits on the non-secure site. The present contractor provides this information to UMP as to the secure site on request.

17. Is there an Interactive Voice Response (IVR) service currently available on the UMP toll free number? If so, please describe the IVR functionality and phone tree. How many buttons does it take to get a live voice?

ANSWER: Yes, there is. Enrollee or providers are directed separately with a list of options, but can zero out to a live contact. It takes two buttons to get a live voice.

18. Are there currently any service or performance management issues that are intended to be addressed through this RFP process? If so, please describe.

ANSWER: No.

19. 2.5 Compliance: Will the HCA entertain a data warehouse entity other than VIPs if it meets its ad hoc reporting needs, including the integration of its external pharmacy vendor data?

ANSWER: See answer #46.

20. Please provide a file layout/format of data extracts to be provided to VIPs and at what frequency.

ANSWER: For the layout, see exhibit G of the RFP. The frequency is monthly.

21. Please provide the format of information to be provided to the HCA on complaints, appeals, and claim denials.

ANSWER: An answer will be posted as soon as possible, not later than February 9, 2005.

22. 2.7.5 OneHealthPort: Is OneHealthPort the current TPA's vendor or HCA?

ANSWER: TPA. See RFP §1.3(E).

23. Will HCA consider the use of an online facility other than OneHealthPort if it's a duplication of what is part of the new contracted TPA's services?

ANSWER: As noted in RFP §2.11(C), UMP prefers to continue the service. This portal is used by other plans in Washington State. We would, however, consider alternatives that provide the same functionality.

24. 2.8 Cooperation with vendors: Are these HCA vendors or the current TPA's vendors?

ANSWER: Section 2.8 of the draft contract lists vendors contracted by HCA and includes examples such as the PBM, a tobacco cessation program vendor, etc.

25. We have assumed we are able to negotiate fees and terms with our domestic vendors necessary to fulfill the scope of services required in the RFP and that the HCA will not withhold approval of these vendors assuming they have the proven capability to perform services, is this correct?

ANSWER: The Contractor will be able to subcontract services, yes. Proven capability to perform the service is just one criterion. For example, no non-US entity is likely to be approved for any services related to the contract.

26. 3.8.2, Medical -- (iii) Testimony – Please explain further – is this referring to non-TPA Medical Directors, e.g. External Review organizations?

ANSWER: Yes.

27. 10.1.4 Monitoring of Work Orders: Please provide the volume of work order volumes in the latest 12 months with categories and dollar volume.

ANSWER: An answer will be posted as soon as possible, not later than February 9, 2005.

28. 12.19.2 Additional Provisions: Please provide a copy of the insurance binder naming the HCA, its officials, agents, and employees as additional insured's on the current TPA'S liability insurance policies.

ANSWER: The current contract between HBSI and the HCA does not contain the additional insured provisions. However, it is commonly used in state contracts and HCA believes that it is appropriate for the TPA work. We expect the new contract entered into for the TPA services will include it. In accordance with RFP section 1.16, bidders may submit exceptions as part of their proposal.

29. 1.23 (B) Identification: Does the current TPA have separate policies for their UMP business?

ANSWER: See answer #28.

30. [RFP §] 1.3 Other vendors: Please confirm that vendors marked with a \* are subcontractors to the current vendor and maybe changed by any new TPA vendor as long as the scope of services within the contract are preformed.

ANSWER: Yes, they are subcontractors of the current TPA and may be changed. Subcontracts will need UMP approval. Also, see answer #23.

31. Are fees for these separate TPA vendors fees within the current PEPM administration fees charged or are they separate, if they are separate can we get a copy of those separate fees and agreements?

ANSWER: See answer #1, and refer to exhibit B of the present contract mentioned there. (Note also that fees will be per **subscriber**, not per enrollee.)

32. 1.10. Proprietary Information "Public Record" RCW 42.17.250 to 42.17.340: Within the scope of the quoted RCW's please provide a copy of the current TPA contract including any attachments and current fee schedules.

ANSWER: See answer #1.

33. 1.11 Revisions to this RFP: Will the HCA entertain not using its contracted network assuming an attached geo access analysis substantiates similar provider access and additional financial analysis indicates a greater savings to the State?

ANSWER: See answer #4.

34. Claim Fiduciary: Please confirm that the HCA is the final claim fiduciary.

ANSWER: Yes. The TPA is not at risk for claims.

35. Claim Runoff: What is current contract rate per claim beyond 90 after cancellation?

ANSWER: \$15.

36. Custom EOB: Please provide an example

ANSWER: An answer will be posted as soon as possible, not later than February 9, 2005.

37. Banking: Is it currently on a drafts cleared or drafts issued basis?

ANSWER: Claims are funded on a drafts issued basis.

38. Will there be a requirement for a PBM specialist within the Customer Service department to handle ESI escalated inquiries?

ANSWER: See RFP section 2.6. Such a specialist may be helpful, but is not specifically required. The bidder should describe how it will provide customer service that includes handling inquiries regarding UMP operations and covered services (including prescription drug benefits).

39. Is there a requirement to utilize a Provider Dual Database to maintain Network Provider information shared between the UMP and the vendor?

ANSWER: See RFP sections 2.5 and 2.11(E). This describes the provider database. Additional details about this database and contractor duties regarding the database are contained in the draft contract form, section 5.6.1.

40. Will you require an Appeals database shared between the UMP and the vendor?

ANSWER: See RFP §2.11(D).

41. Will you require a shared work order database?

ANSWER: See RFP section 2.14 (D) and section 10 of the draft contract. Such a database may be helpful, but is not specifically required.

42. Under Provider Relations page 21- 2.5, is the requirement to provide a separate toll free number or can the vendor use one line with automated call routing capability?

ANSWER: RFP sections 2.4 and 2.5 describe the requirement for customer service for enrollees and for provider services without the specific requirement of separate lines. The draft contract sections 5.1.1 and 5.1.2 describe specific requirements for a dedicated line and hours of coverage. The basic requirements are the same for both enrollees and providers. The bidders may explain how these specific services can best be provided to the UMP.

43. Page 29 (A) 4, the standard is an average of no more than 14 days claims backlog in a quarter. What formula will be used to calculate this figure?

ANSWER: Assume that, with few exceptions, claims will be processed on a 'first in/first out' basis, and the 14 day backlog represents the actual days of received claims on hand. The bidder may also suggest alternative formulas it uses based on actual daily received claims.

44. Page 19- 2.3 A, please explain what specific claims processing standards are required under NCQA.

ANSWER: Bidders should be familiar with all NCQA standards applicable to PPO operations. The UMP uses the NCQA standards as a way to comply with Washington's Patient Bill of Rights. Examples of NCQA standards applicable to claims management are NCQA QI 12, Effectiveness of the QI program (claim processing turn around times standards, claim reprocessing ratios, etc.); NCQA standard RR5 Privacy and Confidentiality (requires processes to restrict uses and disclosures of personal health information); NCQA standard UM 12 Emergency Services (specifies criteria for coverage and what claims cannot be denied). These are just some of the most obvious examples, but there may be other NCQA standards that also apply, or apply to specific cases.



45. Page 22- 2.7, the turnaround standard for appeals is 14 days. Was consideration given for the amount of time required to obtain member signatures for release of information or requests for medical records from Providers and /or Hospitals, when the standard was determined?

ANSWER: The RFP does not mention a 14 day standard in § 2.7. This is included in §2.15, as part of the performance standards. That standard states that we expect 95% of all appeals to be resolved in the 14 day time frame. The other 5% represent those that may require records requests from providers or others and may take longer to resolve.

46. Is there a need to retain any network or outside vendor Washington State currently uses? If yes, which vendors?

ANSWER: See §1.3(E) of the RFP. Vendors subcontracted with the current TPA and marked there with asterisks (\*) can be changed, subject to approval by HCA or UMP, but see answer #23. HCA plans to retain the direct contracts for services that it has in place now.

47. Are reports regarding claims experience and enrollment going to be posted for 2002 through 2004?

ANSWER: The data for 2003 and 2004 are being posted. Data for 2002 is not available in this form. Please note that these reports include pharmacy claims paid by the pharmacy benefit manager.

48. Will current rates for services be made public?

ANSWER: See answer #1.

49. Will a report showing the 100 top providers and facilities be made available if a disruption report is needed. If yes, the following information will be needed.

- \* Provider Tax ID Number
- \* Provider Name
- \* Provider Address, City State, Zip

ANSWER: See answer #4.